

At a Glance | April 8, 2021

Unforeseen Costs Are the Main Reason Retirees Don't Want to Spend Down Their Assets

SPEND, SAVE, GROW

Most retirees don't want to spend down all their assets. Just over 4 in 10 respondents ages 62-75 in EBRI's Spending in Retirement Survey reported that they planned to spend down all or a significant portion of their assets in retirement.

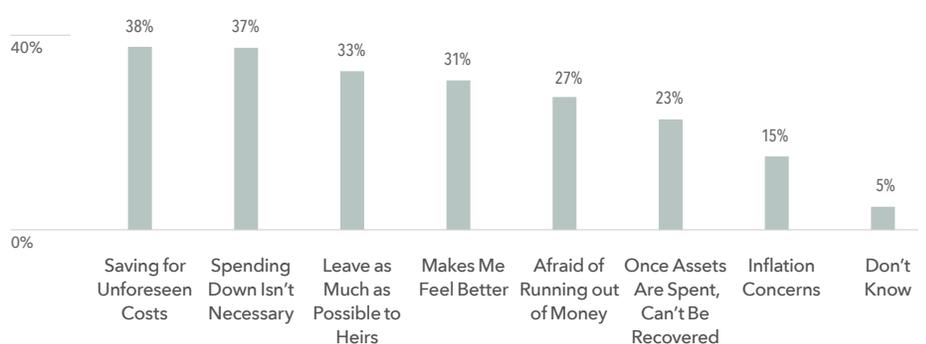
Thinking about all the money you have in financial accounts, do you plan to...?



WHY NOT SPEND?

Fear of running out of money is not the primary motivator. Over a third are just saving for a rainy day; others just don't see a reason to spend.

What are the reasons you plan to not spend down your retirement assets?

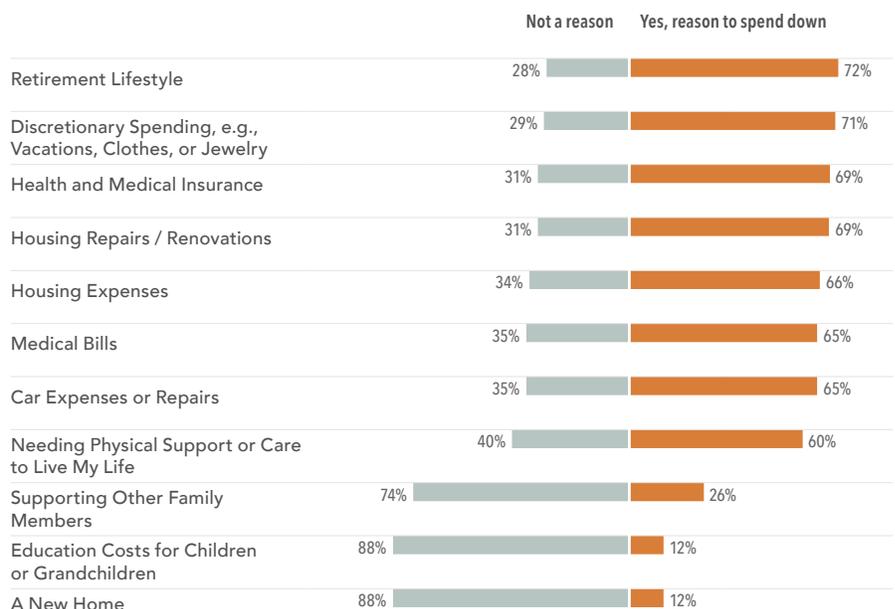


WHY SPEND?

Retirement lifestyle and discretionary spending were the most common reasons that people planned to spend down their assets in retirement. This was followed by health insurance, housing repairs, and housing expenses.

The findings suggest that spending in retirement involves both necessity and behavioral preferences.

Are the following reasons to spend down your assets in retirement?



SOURCE: Lori Lucas, "Why Do People Spend the Way They Do in Retirement? Findings From EBRI's Spending in Retirement Survey," *EBRI Issue Brief*, no. 522 (January 14, 2021).

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